

SECTION 7: GENERAL CONDITIONS OF CONTRACT (GCC)

A. <u>GENERAL</u>	
1.DEFINITIONS	<p>1.1 Boldface type is used to identify defined terms.</p> <ul style="list-style-type: none">(a) The Accepted Contract Amount means the amount accepted in the Letter of Acceptance for the execution and completion of the Works and the remedying of any defects.(b) The Activity Schedule is a schedule of the activities comprising the construction, installation, testing, and commissioning of the Works in a lump sum contract. It includes a lump sum price for each activity, which is used for valuations and for assessing the effects of Variations and Compensation Events.(c) The Adjudicator is the person appointed jointly by the Employer and the Contractor to resolve disputes in the first instance, as provided for in GCC 23.2 hereunder.(d) Bill of Quantities means the priced and completed Bill of Quantities forming part of the Bid.(e) Compensation Events are those defined in GCC 42 hereunder.(f) The Completion Date is the date of completion of the Works as certified by the Project Manager, in accordance with GCC 53.1.(g) The Contract is the Contract between the Employer and the Contractor to execute, complete, and maintain the Works. It consists of the documents listed in GCC 2.3 below.(h) The Contractor is the party whose Bid to carry out the Works has been accepted by the Employer.(i) The Contractor's Bid is the completed bidding document submitted by the Contractor to the Employer.(j) The Contract Price is the Accepted Contract Amount stated in the Letter of Acceptance and thereafter as adjusted in accordance with the Contract.(k) Days are calendar days; months are calendar-months.(l) Day works are varied work inputs subject to payment on a time basis for the Contractor's employees and Equipment, in addition to payments for associated Materials and Plant.(m) A Defect is any part of the Works not completed in accordance with the Contract.(n) The Defects Liability Certificate is the certificate issued by Project Manager upon correction of defects by the Contractor.(o) The Defects Liability Period is the period calculated from the Completion Date where the Contractor remains responsible for remedying defects.

- (p) **Drawings** include calculations and other information provided or approved by the Project Manager for the execution of the Contract.
- (q) The **Employer** is the party who employs the Contractor to carry out the Works, as specified in the SCC.
- (r) **Equipment** is the Contractor's machinery and vehicles brought temporarily to the Site to construct the Works.
- (s) **Force Majeure** means an exceptional event or circumstance: which is beyond a Party's control; which such Party could not reasonably have provided against before entering into the Contract; which, having arisen, such Party could not reasonably have avoided or overcome; and which is not substantially attributable to the other Party.
- (t) The **Initial Contract Price** is the Contract Price listed in the Employer's Letter of Acceptance.
- (u) The **Intended Completion Date** is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is specified in the SCC. The Intended Completion Date may be revised only by the Project Manager by issuing an extension of time or an acceleration order.
- (v) **Letter of Acceptance** means formal acceptance by the Employer of the Bid and denotes the formation of the contract at the date of acceptance.
- (w) **Materials** are all supplies, including consumables, used by the Contractor for incorporation in the Works.
- (x) **Party** means the Employer or the Contractor, as the context requires.
- (y) **SCC** means Special Conditions of Contract
- (z) **Plant** is any integral part of the Works that shall have a mechanical, electrical, chemical, or biological function.
- (aa) The **Project Manager** is the person named in the SCC (or any other competent person appointed by the Employer and notified to the Contractor, to act in replacement of the Project Manager) who is responsible for supervising the execution of the Works and administering the Contract.
- (bb) **Retention Money** means the aggregate of all money retained by the Employer pursuant to GCC 46.1.
- (cc) The **Site** is the area defined as such in the SCC.
- (dd) **Site Investigation Reports** are those that were included in the bidding documents and are factual and interpretative reports about the surface and subsurface conditions at the

	<p>Site.</p>
	<p>(ee) Specification means the Specification of the Works included in the Contract and any modification or addition made or approved by the Project Manager.</p> <p>(ff) The Start Date is given in the SCC. It is the latest date when the Contractor shall commence execution of the Works. It does not necessarily coincide with any of the Site Possession Dates.</p> <p>(gg) A Subcontractor is a person or corporate body who has a Contract with the Contractor to carry out a part of the work in the Contract, which includes work on the Site.</p> <p>(hh) Temporary Works are works designed, constructed, installed, and removed by the Contractor that are needed for construction or installation of the Works.</p> <p>(ii) A Variation is an instruction given by the Project Manager which varies the Works.</p> <p>(jj) The Works are what the Contract requires the Contractor to construct, install, and turn over to the Employer, as defined in the SCC.</p>
<p>2. INTERPRETATION</p>	<p>2.1 In interpreting these GCC, singular also means plural, male also means female or neuter, and the other way around. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Project Manager shall provide instructions clarifying queries about these GCC.</p> <p>2.2 If sectional completion is specified in the SCC, references in the GCC to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion Date for the whole of the Works).</p> <p>2.3 The documents forming the Contract shall be interpreted in the following order of priority:</p> <ul style="list-style-type: none"> (a) Contract Agreement, (b) Letter of Acceptance, (c) Letter of Bid, (d) Special Conditions of Contract, (e) General Conditions of Contract, (f) Specifications, (g) Drawings, (h) Bill of Quantities (or Schedules of Prices for lump sum contracts), and

	(i) Any other document listed in the SCC as forming part of the Contract.
3. LANGUAGE AND LAW	3.1 The language of the Contract and the law governing the Contract are stated in the SCC.
4. PROJECT MANAGER'S DECISIONS	4.1 Except where otherwise specifically stated, the Project Manager shall decide contractual matters between the Employer and the Contractor in the role representing the Employer.
5. DELEGATION	5.1 The Project Manager may delegate any of his duties and responsibilities to other people, except to the Adjudicator, after notifying the Contractor, and may cancel any delegation after notifying the Contractor.
6. COMMUNICATIONS	6.1 Communications between parties that are referred to in the Conditions shall be effective only when in writing. A notice shall be effective only when it is delivered.
7. SUBCONTRACTING	7.1 The Contractor may subcontract with the approval of the Project Manager but may not assign the Contract without the approval of the Employer in writing. Subcontracting shall not alter the Contractor's obligations.
8. OTHER CONTRACTORS	8.1 The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Contractors, as referred to in the SCC. The Contractor shall also provide facilities and services for them as described in the Schedule. The Employer may modify the Schedule of Other Contractors, and shall notify the Contractor of any such modification
9. PERSONNEL AND EQUIPMENT	<p>9.1 The Contractor shall employ the key personnel and use the equipment identified in its Bid to carry out the Works, or other personnel and equipment approved by the Project Manager. The Project Manager shall approve any proposed replacement of key personnel and equipment only if their relevant qualifications or characteristics are substantially equal to or better than those proposed in the Bid.</p> <p>9.2 If the Project Manager asks the Contractor to remove a person who is a member of the Contractor's staff or work force, stating the reasons, the Contractor shall ensure that the person leaves the Site within seven days and has no further connection with the work in the Contract.</p>
10. EMPLOYER'S AND CONTRACTOR'S RISK	10.1 The Employer carries the risks which this Contract states are Employer's risks, and the Contractor carries the risks which this Contract states are Contractor's risks.
11. EMPLOYER'S RISKS	<p>11.1 From the Start Date until the Defects Liability Certificate has been issued, the following are Employer's risks:</p> <p>(a) The risk of personal injury, death, or loss of or damage to property (excluding the Works, Plant, Materials, and Equipment),</p>

	<p>which are due to</p> <ul style="list-style-type: none"> (i) use or occupation of the Site by the Works or for the purpose of the Works, which is the unavoidable result of the Works or (ii) negligence, breach of statutory duty, or interference with any legal right by the Employer or by any person employed by or contracted to him except the Contractor. <p>(b) The risk of damage to the Works, Plant, Materials, and Equipment to the extent that it is due to a fault of the Employer or in the Employer's design, or due to war or radioactive contamination directly affecting the country where the Works are to be executed.</p> <p>11.2 From the Completion Date until the Defects Liability Certificate has been issued, the risk of loss of or damage to the Works, Plant, and Materials is an Employer's risk except loss or damage due to</p> <ul style="list-style-type: none"> (a) a Defect which existed on the Completion Date, (b) an event occurring before the Completion Date, which was not itself an Employer's risk, or (c) the activities of the Contractor on the Site after the Completion Date.
<p>12. CONTRACTOR'S RISKS</p>	<p>12.1 From the Starting Date until the Defects Liability Certificate has been issued, the risks of personal injury, death, and loss of or damage to property (including, without limitation, the Works, Plant, Materials, and Equipment) which are not Employer's risks are Contractor's risks.</p>
<p>13. INSURANCE</p>	<p>13.1 The Contractor shall provide insurance in the joint names of the Employer and the Contractor from the Start Date to the end of the Defects Liability Period, in the amounts and deductibles stated in the SCC for the following events which are due to the Contractor's risks:</p> <ul style="list-style-type: none"> (a) loss of or damage to the Works, Plant, and Materials; (b) loss of or damage to Equipment; (c) loss of or damage to property (except the Works, Plant, Materials, and Equipment) in connection with the Contract; and (d) Personal injury or death.
	<p>13.2 Policies and certificates for insurance shall be delivered by the Contractor to the Project Manager for the Project Manager's approval before the Start Date. All such insurance shall provide for compensation to be payable in the proportions of Nepalese Rupees required to rectify the loss or damage incurred.</p> <p>13.3 If the Contractor does not provide any of the policies and certificates required, the Employer may affect the insurance which the Contractor should have provided and recover the premiums the Employer has paid from payments otherwise due to the Contractor or, if no payment is due, the payment of the premiums shall be a debt due.</p>

	<p>13.4 Alterations to the terms of insurance shall not be made without the approval of the Project Manager.</p> <p>13.5 Both parties shall comply with any conditions of the insurance policies.</p>
14. SITE INVESTIGATION REPORTS	14.1 The Contractor, in preparing the Bid, shall rely on any Site Investigation Reports referred to in the SCC, supplemented by any information available to the Bidder.
15. CONTRACTOR TO CONSTRUCT THE WORKS	15.1 The Contractor shall construct and install the Works in accordance with the Specifications and Drawings.
16. THE WORKS TO BE COMPLETED WITHIN INTENDED COMPLETION DATE	16.1 The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the Program submitted by the Contractor, as updated with the approval of the Project Manager, and complete them within the intended Completion Date.
17. DESIGN BY CONTRACTOR AND APPROVAL BY THE PROJECT MANAGER	<p>17.1 The contractor shall be responsible for the design of permanent works as specified in SCC.</p> <p>17.2 Contractor shall be responsible for design of the Temporary Works. The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Project Manager, for his approval.</p> <p>17.3 All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, shall be subject to prior approval by the Project Manager before their use.</p> <p>17.4 The Project Manager's approval shall not alter the Contractor's responsibility for design of temporary works.</p>
18. SAFETY, SECURITY AND PROTECTION OF THE ENVIRONMENT	<p>18.1 The Contractor shall, throughout the execution, and completion of the works and remedying of any defects therein:</p> <ul style="list-style-type: none"> a. Have full regard for the safety of all persons entitled to be upon the site and keep the site (so as the same is under his control) and the works (so far as the same are not completed or occupied by the Employer) in an orderly state appropriate to the avoidance of danger to such persons. b. Provide and maintain at his own cost all lights, guards, fencing, warning signs and watching, when necessary or required by the Project Manager or by any duly constituted authority, for the protection of the Works or for the safety and convenience of the public or others. c. Take all reasonable steps to protect the environment on and off the site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or other causes arising as a consequence of his methods of operation. d. Ensure that any cut or fill slopes are planted in grass or other plant

	<p>cover as soon as possible to protect them from erosion.</p> <p>e. Any spoil or material removed from drains shall be disposed off to designated stable tipping areas as directed by the Project Manager.</p> <p>f. Shall not use fuel wood as a means of heating during the processing or preparation of any materials forming part of the works.</p> <p>g. The Project Manager shall have the power to disallow any working practice or activity of the Contractor or direct that such practices or activities be modified should the Project Manager consider, on the advice of the relevant Government Departments, that the practices or activities will be harmful to wildlife.</p> <p>h. Provide on the Site such lifesaving apparatus as may be appropriate and an adequate and easily accessible first aid outfit or such outfits as may be required by any government ordinance, factory act, etc., subsequently published and amended from time to time.</p>
19. DISCOVERIES	<p>19.1 Anything of historical or other interest or of significant value unexpectedly discovered on the Site shall be the property of the Employer. The Contractor shall notify the Project Manager of such discoveries and carry out the Project Manager's instructions for dealing with them.</p>
20. POSSESSION OF THE SITE	<p>20.1 The Employer shall give possession of all parts of the Site to the Contractor. If possession of a part is not given by the date stated in the SCC, the Employer shall be deemed to have delayed the start of the relevant activities, and this shall be a Compensation Event.</p>
21. ACCESS TO THE SITE	<p>21.1 The Contractor shall allow the Project Manager and any person authorized by the Project Manager access to the Site and to any place where work in connection with the Contract is being carried out or is intended to be carried out.</p>
22. INSTRUCTIONS, INSPECTIONS AND AUDITS	<p>22.1 The Contractor shall carry out all instructions of the Project Manager which comply with the applicable laws where the Site is located.</p> <p>22.2 The Contractor shall permit the GoN/DP and/or persons appointed by the GoN/DP to inspect the Site and/or the accounts and records of the Contractor and its sub-contractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the GoN/DP if required by the GoN/DP. The Contractor's attention is drawn to Sub-Clause 58.2 which provides, inter alia, that acts intended to materially impede the exercise of the GoN's/DP's inspection and audit rights provided for under this Sub-Clause constitute a obstructive practice subject to contract termination.</p>
23. DISPUTE SETTLEMENT	<p>23.1 The Employer and the Contractor shall attempt to settle amicably by direct negotiation any disagreement or dispute arising between them under or in connection with the Contract.</p> <p>23.2 Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after</p>

	receipt by one Party of the other Party's request for such amicable settlement may be referred to Arbitration within 30 days after the expiration of amicable settlement period.
24. APPOINTMENT OF THE ADJUDICATOR/ DRC MEMBERS	
25. PROCEDURES FOR DISPUTES	25.1 In case of arbitration, the arbitration shall be conducted in accordance with the arbitration procedures published by the Nepal Council of Arbitration (NEPCA) at the place given in the SCC.
<u>B. TIME CONTROL</u>	
26. PROGRAM	<p>26.1 Within the time stated in the SCC, after the date of the Letter of Acceptance, the Contractor shall submit to the Project Manager for approval a Program showing the general methods, arrangements, order, and timing for all the activities in the Works. In the case of a lump sum contract, the activities in the Program shall be consistent with those in the Activity Schedule.</p> <p>26.2 An update of the Program shall be a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work, including any changes to the sequence of the activities.</p> <p>26.3 The Contractor shall submit to the Project Manager for approval an updated Program at intervals no longer than the period stated in the SCC. If the Contractor does not submit an updated Program within this period, the Project Manager may withhold the amount stated in the SCC from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted. In the case of a lump sum contract, the Contractor shall Provide an updated Activity Schedule within 15 days of being instructed to by the Project Manager.</p> <p>26.4 The Project Manager's approval of the Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Project Manager again at any time. A revised Program shall show the effect of Variations and Compensation Events.</p>
27. EXTENSION OF THE INTENDED COMPLETION DATE	<p>27.1 The Project Manager shall extend the Intended Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to accelerate the remaining work, which would cause the Contractor to incur additional cost.</p> <p>27.2 The Project Manager shall decide whether and by how much to extend</p>

	<p>the Intended Completion Date within 21 days of the Contractor asking the Project Manager for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information at least 21 days prior to the intended completion date. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.</p>
28. ACCELERATION	<p>28.1 When the Employer wants the Contractor to finish before the Intended Completion Date, the Project Manager shall obtain priced proposals for achieving the necessary acceleration from the Contractor. If the Employer accepts these proposals, the Intended Completion Date shall be adjusted accordingly and confirmed by both the Employer and the Contractor.</p> <p>28.2 If the Contractor's priced proposals for acceleration are accepted by the Employer, they are incorporated in the Contract Price and treated as a Variation.</p>
29. DELAYS ORDERED BY THE PROJECT MANAGER	<p>29.1 The Project Manager may instruct the Contractor to delay the start or progress of any activity within the Works.</p>
30. MANAGEMENT MEETINGS	<p>30.1 Either the Project Manager or the Contractor may require the others to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.</p> <p>30.2 The Project Manager shall record the business of management meetings and provide copies of the records to those attending the meeting and to the Employer. The responsibility of the parties for actions to be taken shall be decided by the Project Manager either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.</p>
31. EARLY WARNING	<p>31.1 The Contractor shall warn the Project Manager at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price, or delay the execution of the Works. The Project Manager may require the Contractor to provide an estimate of the expected effect of the future event or circumstance on the Contract Price and Completion Date. The estimate shall be provided by the Contractor as soon as reasonably possible.</p> <p>31.2 The Contractor shall cooperate with the Project Manager in making and considering proposals for how the effect of such an event or circumstance can be avoided or reduced by anyone involved in the work and in carrying out any resulting instruction of the Project Manager.</p>
<u>C. QUALITY CONTROL</u>	
32. IDENTIFYING	<p>32.1 The Project Manager shall check the Contractor's work and notify the</p>

DEFECTS	Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Project Manager may instruct the Contractor to search for a Defect and to uncover and test any work that the Project Manager considers may have a Defect.
33. TESTS	33.1 If the Project Manager instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no Defect, the test shall be a Compensation Event.
34. CORRECTION OF DEFECTS	<p>34.1 The Project Manager shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion, and is defined in the SCC. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.</p> <p>34.2 Every time notice of a Defect is given; the Contractor shall correct the notified Defect within the length of time specified by the Project Manager's notice.</p>
35. UNCORRECTED DEFECTS	35.1 If the Contractor has not corrected a Defect within the time specified in the Project Manager's notice, the Project Manager shall assess the cost of having the Defect corrected, and the Contractor shall pay this amount.
<u>D. COST CONTROL</u>	
36. CONTRACT PRICE	<p>36.1 In the case of a Unit Rate contract, the Bill of Quantities shall contain priced items for the Works to be performed by the Contractor. The Bill of Quantities is used to calculate the Contract Price. The Contractor will be paid for the quantity of the work accomplished at the rate in the Bill of Quantities for each item.</p> <p>36.2 In the case of a lump sum contract, the Activity Schedule shall contain the priced activities for the Works to be performed by the Contractor. The Activity Schedule is used to monitor and control the performance of activities on which basis the Contractor will be paid. If payment for Materials on Site shall be made separately, the Contractor shall show delivery of Materials to the Site separately on the Activity Schedule.</p>
37. CHANGES IN THE CONTRACT PRICE	<p>37.1 In the case of a Unit Rate contract:</p> <p>(a) If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item</p> <p style="padding-left: 40px;">by more than 25 percent, provided the change exceeds 2 percent of the Initial Contract Price, the Project Manager shall adjust the rate to allow for the change.</p> <p>(b) The Project Manager shall not adjust rates from changes in quantities if thereby the Initial Contract Price is exceeded by more than 10 percent, except with the prior approval of the Employer.</p>

	<p>(c) If requested by the Project Manager, the Contractor shall provide the Project Manager with a detailed cost breakdown of any rate in the Bill of Quantities.</p> <p>37.2 In the case of a lump sum contract, the Activity Schedule shall be amended by the Contractor to accommodate changes of Program or method of working made at the Contractor's own discretion. Prices in the Activity Schedule shall not be altered when the Contractor makes such changes to the Activity Schedule.</p>
<p>38. VARIATIONS</p>	<p>38.1 All Variations shall be included in updated Programs, and, in the case of a lump sum contract, also in the Activity Schedule, produced by the Contractor.</p>
	<p>38.2 The Contractor shall provide the Project Manager with a quotation for carrying out the Variation when requested to do so by the Project Manager. The Project Manager shall assess the quotation, which shall be given within seven (7) days of the request or within any longer period stated by the Project Manager and before the Variation is ordered.</p> <p>38.3 If the Contractor's quotation is unreasonable, the Project Manager may order the Variation and make a change to the Contract Price, which shall be based on the Project Manager's own forecast of the effects of the Variation on the Contractor's costs.</p> <p>38.4 If the Project Manager decides that the urgency of varying the work would prevent a quotation being given and considered without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.</p> <p>38.5 The Contractor shall not be entitled to additional payment for costs that could have been avoided by giving early warning.</p> <p>38.6 In the case of an Unit Rate contract, if the work in the Variation corresponds to an item description in the Bill of Quantities and if, in the opinion of the Project Manager, the quantity of work above the limit stated in GCC 37.1 or the timing of its execution do not cause the cost per unit of quantity to change, the rate in the Bill of Quantities shall be used to calculate the value of the Variation. If the cost per unit of quantity changes, or if the nature or timing of the work in the Variation does not correspond with items in the Bill of Quantities, the quotation by the Contractor shall be in the form of new rates for the relevant items of work.</p>
<p>39. CASH FLOW FORECASTS</p>	<p>39.1 When the Program, or, in the case of a lump sum contract, the Activity Schedule, is updated, the Contractor shall provide the Project Manager with an updated cash flow forecast.</p>

<p>40. PAYMENT CERTIFICATES</p>	<p>40.1 The Contractor shall submit to the Project Manager monthly statements of the estimated value of the work executed less the cumulative amount certified previously.</p> <p>40.2 The Project Manager shall check the Contractor’s monthly statement and certify the amount to be paid to the Contractor within 30 days of submission by contractor.</p> <p>40.3 The value of work executed shall be determined by the Project Manager.</p> <p>40.4 The value of work executed shall comprise:</p> <ul style="list-style-type: none"> (a) In the case of a Unit Rate contract, the value of the quantities of work in the Bill of Quantities that have been completed; or (b) In the case of a lump sum contract, the value of work executed shall comprise the value of completed activities in the Activity Schedule. <p>40.5 The value of work executed shall include the valuation of Variations and Compensation Events.</p> <p>40.6 The Project Manager may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.</p>
<p>41. PAYMENTS</p>	<p>41.1 Payments shall be adjusted for deductions for advance payments and retention. The Employer shall pay the Contractor the amounts certified by the Project Manager within 30 days of the date of each certificate. If the Employer makes a late payment, the Contractor shall be paid interest as indicated in the SCC on the late payment in the next payment. Interest shall be calculated from the date by which the payment should have been made up to the date when the late payment is made.</p> <p>41.2 If an amount certified is increased in a later certificate or as a result of an award by the Adjudicator or an Arbitrator, the Contractor shall be paid interest upon the delayed payment as set out in this clause. Interest shall be calculated from the date upon which the increased amount would have been certified in the absence of dispute.</p> <p>41.3 Items of the Works for which no rate or price has been entered in BOQ shall not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.</p>
<p>42. COMPENSATION EVENTS</p>	<p>42.1 The following shall be Compensation Events:</p> <ul style="list-style-type: none"> (a) The Employer does not give access to a part of the Site by the Site Possession Date pursuant to GCC 20.1. (b) The Employer modifies the Schedule of Other Contractors in a way that affects the work of the Contractor under the Contract. (c) The Project Manager orders a delay or does not issue Drawings, Specifications, or instructions required for execution of the Works

	<p>on time.</p> <p>(d) The Project Manager instructs the Contractor to uncover or to carry out additional tests upon work, which is then found to have no Defects.</p> <p>(e) The Project Manager unreasonably does not approve a subcontract to be let.</p> <p>(f) Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of the Letter of Acceptance from the information issued to bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.</p> <p>(g) The Project Manager gives an instruction for dealing with an unforeseen condition, caused by the Employer, or additional work required for safety or other reasons.</p> <p>(h) Other contractors, public authorities, utilities, or the Employer does not work within the dates and other constraints stated in the Contract, and they cause delay or extra cost to the Contractor.</p> <p>(i) The advance payment is delayed.</p> <p>(j) The effects on the Contractor of any of the Employer's Risks.</p> <p>(k) The Project Manager unreasonably delays issuing a Certificate of Completion.</p> <p>(l) Force majeure events as determined by the Project Manager.</p> <p>42.2 If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date shall be extended. The Project Manager shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.</p> <p>42.3 As soon as information demonstrating effect of each Compensation Event upon the Contractor's forecast cost has been provided by the Contractor, it shall be assessed by the Project Manager, and the Contract Price shall be adjusted accordingly. If the Contractor's forecast is deemed unreasonable, the Project Manager shall adjust the Contract Price based on the Project Manager's own forecast. The Project Manager shall assume that the Contractor shall react competently and promptly to the event.</p> <p>42.4 The Contractor shall not be entitled to compensation to the extent that the Employer's interests are adversely affected by the Contractor's not having given early warning or not having cooperated with the Project Manager.</p>
<p>43. TAX</p>	<p>43.1 The Project Manager shall adjust the Contract Price if taxes, duties, and other levies are changed between the date 30 days before the submission of bids for the Contract and the date of the last Completion</p>

	certificate. The adjustment shall be the change in the amount of tax payable by the Contractor, provided such changes are not already reflected in the Contract Price or are a result of GCC 45.
44. CURRENCY	44.1 The currency of Contracts shall be Nepalese Rupees.
45. PRICE ADJUSTMENT	<p>45.1 Prices shall be adjusted for fluctuations in the cost of input only if provided for in the SCC. If so provided, the amounts certified in each payment certificate, before deducting for Advance Payment, shall be adjusted by applying the respective price adjustment factor to the payment amounts due.</p> <p>45.2 Adjustment Formulate¹ "The adjustment to the Interim Payment Certificates in respect of changes in cost and legislation shall be determined from separate formulae for each of the types of construction work to be performed and Plant to be supplied. The formulae will be of the following general type:</p> $pn = A + b \frac{Ln}{Lo} + c \frac{Mn}{Mo} + d \frac{En}{Eo} + etc.$ <p>Where:</p> <p>pn is a price adjustment factor to be applied to the amount for the payment of the work carried out in the subject month, determined in accordance with Sub-Clause 41;</p> <p>A is a constant, specified in the Bidding Forms- Table of Price Adjustment data, representing the nonadjustable portion in contractual payments;²</p> <p>b, c, d, etc., coefficients representing the estimated proportion of each cost element (labor, materials, equipment usage, etc.) in the Works or sections thereof, net of Provisional Sums, as specified in the SCC;</p> <p>Ln, Mn, En, etc., are the current cost indices or reference prices of the cost elements for month "n," determined pursuant to Sub-Clause 45.4, applicable to each cost element; and</p> <p>Lo, Mo, Eo, etc., are the base cost indices or reference prices corresponding to the above cost elements at the date specified in Sub-Clause 45.4</p>
	45.3 Sources of Indices and Weightings: The sources of indices shall be those listed in the Bidding Forms- Table of Price Adjustment data, as approved by the Project Manager and stated in SCC. Indices shall be

¹ For complex Works involving several types of construction work with different inputs, a family of Formulae will be necessary. The various items of Day work may also require different formulae, depending on the nature and source of the inputs

² Insert a figure for factor A only where there is a part of the Contractors' expenditures which will not be subject to fluctuation in cost or to compensate for the unreliability of some indices. A should normally be 0.15. The sum of A, b, c, d, etc., should be one.

	<p>appropriate for their purpose and shall relate to the Contractor's proposed source of supply of inputs on the basis of which his Contract shall have been computed. As the proposed basis for price adjustment, the Contractor shall have submitted with his bid the tabulation of Weightings and Source of Indices in the Bidding Forms, which shall be subject to approval by the Project Manager.</p> <p>45.4 Base, Current and Provisional Indices: The base cost indices or prices shall be those prevailing on the day 30 days prior to the latest date for submission of bids. Current indices or prices shall be those prevailing on the day 30 days prior to the last day of the period to which a particular Interim Payment Certificate is related. If at any time the current indices are not available, provisional indices as determined by the Project Manager will be used, subject to subsequent correction of the amounts paid to the Contractor when the current indices become available.</p> <p>45.5 Weightings: The weightings for each of the factors of cost given in the Bidding Forms shall be adjusted if, in the opinion of the Project Manager, they have been rendered unreasonable, unbalanced or inapplicable as a result of varied or additional work already executed or instructed under Clause 38 or for any other reason.</p> <p>45.6 Subsequent Legislation: If, after the date 30 days prior to the latest date for submission of bids for the Contract, there occur changes to any National Statute, Ordinance, Decree, or other Law or any regulation or by-law of any local or other duly constituted authority, or the introduction of any such Statute, Ordinance, Decree, Law, regulation or by-law which causes additional or reduced cost to the Contractor, other than under the preceding sub-clauses of this clause, in the execution of the Contract, such additional or reduced</p> <p>cost shall, after due consultation with the Employer and the Contractor, be determined by the Project Manager and shall be added to or deducted from the Contract Price and the Project Manager shall notify the Contractor accordingly, with a copy to the Employer. Notwithstanding the foregoing, such additional or reduced cost shall not be separately paid or credited if the same shall already have taken into account in the indexing of any inputs to the Price Adjustment Formulae in accordance with the provisions of Sub-Clauses 45.2</p>
	<p>45.7 Where, price adjustment provision is not applicable pursuant to Sub-clause 45.1 then the Contract is subject to price adjustment only for construction material in accordance with this clause. If the prices of the construction materials stated in the contract is increased or decreased in an unexpected manner in excess of ten (10%) percent in comparison to the base price construction material stated in Section –IV, Bidding Forms-Table of Price Adjustment Data, then the price adjustment for the increase or decrease of price of the construction material beyond 10% shall be made by applying the following formulas:</p> <p>For unexpected increase in price</p> $P = [-_1 -(R_0 \times 1.10)] \times Q$

	<p>For unexpected decrease in price P</p> $= [-1 - (R_0 \times 0.90)] \times Q$ <p>Where:</p> <p>"P" is price adjustment amount</p> <p>"R₁" is the present price of the construction material (Source of indices shall be those listed in the Bidding forms)</p> <p>"R₀" is the base price of the construction material</p> <p>"Q" is quantity of the construction material consumed in construction during the period of price adjustment consideration</p> <p>If the Base price and source is to be proposed by the Bidder as per the provision made in Section –IV, Bidding Forms-Table of Price Adjustment Data then the Base price and source filled by Bidder for the construction material stated in the Bidding Form shall be subject to the approval of the Project manager and shall be as stated in SCC..</p> <p>45.8 The Price Adjustment amount shall be limited to a maximum of the initial Contract Amount as specified in the SCC.</p> <p>45.10 The Price Adjustment provision shall not be applicable for delayed period if the contract is not completed in time due to the delay caused by the contractor or the contract is a Lump sum Contract or a Fixed Budget Contract.</p>
<p>46. RETENTION</p>	<p>46.1 The Employer shall retain from each payment due to the Contractor the proportion stated in the SCC until Completion of the whole of the Works.</p> <p>46.2 Upon the issue of a Defects Liability Certificate by the Project Manager, in accordance with GCC 55.1, half the total amount retained shall be repaid to the Contractor and half when the Contractor has submitted the Tax evidence document issued by the concerned Internal Revenue Office that the contractor has submitted his Income Returns. On completion of the whole works, the Contractor may substitute retention money with an "on demand" bank guarantee.</p>
<p>47. LIQUIDATED DAMAGES</p>	<p>47.1 The Contractor shall pay liquidated damages to the Employer at the rate per day stated in the SCC for each day that the Completion Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount defined in the SCC. The Employer may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor's liabilities.</p> <p>47.2 If the Intended Completion Date is extended after liquidated damages have been paid, the Project Manager shall correct any overpayment of</p>

	liquidated damages by the Contractor by adjusting the next payment certificate. The Contractor shall be paid interest on the overpayment, calculated from the date of payment to the date of repayment, at the rates specified in GCC.41
48. BONUS	48.1 The Contractor shall be paid a Bonus calculated at the rate per calendar day stated in the SCC for each day (less any days for which the Contractor is paid for acceleration) that the Completion is earlier than the Intended Completion Date. The Project Manager shall certify that the Works are complete, although they may not be due to be complete.
49. ADVANCE PAYMENT	49.1 The Employer shall make advance payment to the Contractor of the amounts stated in the SCC by the date stated in the SCC, against provision by the Contractor of an unconditional bank guarantee from Commercial Bank or Financial Institution eligible to issue Bank Guarantee as per prevailing Law in Nepal in a form and by a bank acceptable to the Employer in amounts equal to the advance payment. The guarantee shall remain effective until the advance payment has been repaid, but the amount of the guarantee shall be progressively reduced by the amounts repaid by the Contractor. Interest shall not be charged on the advance payment.
	49.2 The Contractor is to use the advance payment only to pay for Equipment, Plant, Materials, and mobilization expenses required specifically for execution of the Contract. The Contractor shall demonstrate that advance payment has been used in this way by supplying copies of invoices or other documents to the Project Manager. 49.3 The advance payment shall be repaid by deducting proportionate amounts, as stated in SCC, from payments otherwise due Contractor, following the schedule of completed percentages of the Works on a payment basis. No account shall be taken of the advance payment or its repayment in assessing valuations of work done, Variations, price adjustments, Compensation Events, Bonuses, or Liquidated Damages.
50. SECURITIES	50.1 The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount specified in the SCC, by a Commercial Bank or Financial Institution eligible to issue Bank Guarantee as per prevailing Law in Nepal acceptable to the Employer and denominated in Nepalese Rupees. The Performance Security shall be valid until a date 30 days from the date of issue of the Defect Liability Certificate in the case of a bank guarantee. 50.2 The performance security issued by any foreign Bank outside Nepal must be counter guaranteed by an Commercial Bank or Financial Institution eligible to issue Bank Guarantee as per prevailing Law in

	Nepal in Nepal.
51. DAY WORKS	<p>51.1 If applicable, the Day works rates in the Contractor’s Bid shall be used for small additional amounts of work only when the Project Manager has given written instructions in advance for additional work to be paid for in that way.</p> <p>51.2 All work to be paid for as Day works shall be recorded by the Contractor on forms approved by the Project Manager. Each completed form shall be verified and signed by the Project Manager within two days of the work being done.</p> <p>51.3 The Contractor shall be paid for Day works subject to obtaining signed Day works forms.</p>
52. COST OF REPAIRS	52.1 Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Correction periods shall be remedied by the Contractor at the Contractor’s cost if the loss or damage arises from the Contractor’s acts or omissions.
<u>E. FINISHING THE CONTRACT</u>	
53. COMPLETION	<p>53.1 The Contractor shall request the Project Manager to issue a certificate of Completion of the Works, and the Project Manager shall do so upon deciding that the work is completed.</p> <p>53.2 In addition to the other provisions, before acceptance of the completed works, Employer shall verify and assure that such works are within the set objective, quality and appropriate to operate and use.</p>
54. TAKING OVER	54.1 The Employer shall take over the Site and the Works within seven days of the Project Manager’s issuing a certificate of Completion.
55. FINAL ACCOUNT	55.1 The Contractor shall supply the Project Manager with a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Project Manager shall issue a Defects Liability Certificate and certify any final payment that is due to the Contractor within 60 days of receiving the Contractor’s account if it is correct and complete. If it is not, the Project Manager shall issue within 60 days a schedule that states the scope of the corrections or additions that are necessary. If the Final Account is still unsatisfactory after it has been resubmitted, the Project Manager shall decide on the amount payable to the Contractor and issue a payment certificate.
56. OPERATING AND MAINTENANCE MANUALS	<p>56.1 If “as built” Drawings and/or operating and maintenance manuals are required, the Contractor shall supply them by the dates stated in the SCC.</p> <p>56.2 If the Contractor does not supply the Drawings and/or manuals by the dates stated in the SCC pursuant to GCC 56.1, or they do not receive the Project Manager’s approval, the Project Manager shall withhold the</p>

	amount stated in the SCC from payments due to the Contractor.
57. TERMINATION	<p>57.1 In no case, the Contractor shall terminate the Contract unilaterally without duly notifying the Employer.</p> <p>57.2 The Employer may terminate the Contract at any time if the contractor;</p> <ul style="list-style-type: none"> a. does not commence the work as per the Contract, b. abandons the work without completing, c. fails to achieve progress as per the Contract. <p>57.3 The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.</p> <p>57.4 Fundamental breaches of Contract shall include, but shall not be limited to the following:</p> <ul style="list-style-type: none"> (a) The Contractor uses the advance payment for matters other than the contractual obligations, (b) the Contractor stops work for 30 days when no stoppage of work is shown on the current Program and the stoppage has not been authorized by the Project Manager; (c) the Project Manager instructs the Contractor to delay the progress of the Works, and the instructions are not withdrawn within 30 days; (d) the Employer or the Contractor is made bankrupt or goes into liquidation other than for a reconstruction or amalgamation. (e) a payment certified by the Project Manager is not paid by the Employer to the Contractor within 90 days of the date of the Project Manager's certificate; (f) the Project Manager gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Project Manager; (g) the Contractor does not maintain a Security, which is required; and (h) the Contractor has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid, as defined in the SCC. (i) If the Contractor, in the judgment of the Employer has engaged in corrupt or fraudulent practices in competing for or in executing the Contract, pursuant to GCC 58.1. <p>57.5 When either party to the Contract gives notice of a breach of Contract to the Project Manager for a cause other than those listed under GCC 57.2 above, the Project Manager shall decide whether the breach is fundamental or not.</p> <p>57.6 Notwithstanding the above, the Employer may terminate the Contract for convenience.</p> <p>57.7 If the Contract is terminated, the Contractor shall stop work immediately, make the Site safe and secure, and leave the Site as soon</p>

	as reasonably possible.
<p>58. FRAUD AND CORRUPTION</p>	<p>58.1 If the Employer determines that the Contractor has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract, then the Employer may, after giving 15 days' notice to the Contractor, terminate the Contractor's employment under the Contract and expel him from the Site.</p> <p>58.2 Should any employee of the Contractor be determined to have engaged in corrupt, fraudulent, collusive, coercive, or obstructive practice during the execution of the Works, then that employee shall be removed in accordance with Clause 9.</p> <p>For the purposes of this Sub-Clause;</p> <ul style="list-style-type: none"> (i) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party. (ii) "fraudulent practice"⁵ is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; (iii) "collusive practice"⁶ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party; (iv) "coercive practice"⁷ is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; (v) "obstructive practice" is <ul style="list-style-type: none"> (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (bb) acts intended to materially impede the exercise of the GON's/DP's inspection and audit rights provided for under Sub-Clause 22.2.
<p>59. BLACKLISTING</p>	<p>59.1 Without prejudice to any other rights of the Employer under this Contract, GoN, Public Procurement Monitoring Office (PPMO), on the recommendation of procuring entity, may blacklist a Bidder for its conduct for a period of one (1) to three (3) years on the following grounds and seriousness of the act committed by the bidder.</p> <ul style="list-style-type: none"> (a) if it is established that the Contractor has committed

	substantial defect in implementation of the contract or has not substantially fulfilled its obligations under the contract or the completed work is not of the specified quality as per the contract.
60. PAYMENT UPON TERMINATION	<p>60.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Project Manager shall issue a certificate for the value of the work done and Materials ordered less advance payments received up to the date of the issue of the certificate and less the percentage to apply to the value of the work not completed, as indicated in the SCC. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor, the difference shall be a debt payable to the Employer.</p> <p>60.2 If the Contract is terminated because of fundamental breach of Contract or for any other fault by the Contractor, the performance security shall be forfeited by the Employer.</p> <p>In such case, amount to complete the remaining works as per the Contract shall be recovered from the Contractor as Government dues.</p>
61. PROPERTY	61.1 All Materials on the Site, Plant, Equipment, Temporary Works, and Works shall be deemed to be the property of the Employer if the Contract is terminated because of the Contractor's default.
62. RELEASE FROM PERFORMANCE	62.1 If the Contract is frustrated by the outbreak of war or by any other event entirely outside the control of either the Employer or the Contractor, the Project Manager shall certify that the Contract has been frustrated. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which a commitment was made.
63. SUSPENSION OF DP LOAN/CREDIT/ GRANT	<p>63.1 In the event that the Donor Agency suspends the loan/ credit/grant to the Employer from which part of the payments to the Contractor are being made:</p> <ul style="list-style-type: none"> a. the Employer is obligated to notify the Contractor of such suspension within 7 days of having received the Donor Agency's suspension notice; and b. if the Contractor has not received sums due, within the 30 days for payment provided for in Sub-Clause 41.1, the Contractor may immediately issue a 15-day termination notice.
64. PROJECT MANAGER'S DUTIES AND AUTHORITIES	64.1 The Project Manager's duties and authorities are restricted to the extent stated in the SCC.
65. QUARRIES AND SPOIL DUMPS	65.1 Any quarry operated as part of this Contract shall be maintained and left in a stable condition without steep slopes and be either refilled or drained and be landscaped by appropriate planting. Rock or gravel taken from a river shall be removed over some distance so as to limit the

	<p>depth of material removed at any one location, not disrupt the river flow or damage or undermine the riverbanks. The Contractor shall not deposit excavated material on land in Government or private ownership except as directed by the Project Manager in writing or by permission in writing of the authority responsible for such land in Government ownership, or of the owner or responsible representative of the owner of such land in private ownership, and only then in those places and under such conditions as the authority, owner or responsible representative may prescribe.</p>
66. LOCAL TAXATION	<p>66.1 The prices tendered by the Contractor shall include all taxes that may be levied in accordance to the laws and regulations in being in Nepal on the date 30 days prior to the closing date for submissions of Bids on the Contractor's equipment, plant and materials acquired for the purpose of the Contract and on the services performed under the Contract. Nothing in the Contract shall relieve the Contractor from his responsibility to pay any tax that may be levied in Nepal on profits made by him in respect of the Contract.</p>
67. VALUE ADDED TAX	<p>67.1 The Contract is not exempted from value added tax. An amount specified in the schedule of taxes shall be paid by the Contractor in the concerned VAT office within time frame specified in VAT regulation.</p>
68. INCOME TAXES ON STAFF	<p>68.1 The Contractor's staff, personnel and labor will be liable to pay personal income taxes in Nepal in respect of their salaries and wages, as are chargeable under the laws and regulations for the time being in force, and the Contractor shall perform such duties in regard to such deductions as may be imposed on him by such laws and regulations.</p> <p>68.2 The issue of the Final Account Certificate pursuant to clause 55 shall be made only upon submittal by the Contractor of a certificate of income tax clearance from the Government of Nepal.</p>
69. DUTIES, TAXES AND ROYALTIES	<p>69.1 Any element of royalty, duty or tax in the price of any goods including fuel oil, and lubricating oil, cement, timber, iron and iron goods locally procured by the Contractor for the works shall be included in the Contract rates and prices and no reimbursement or payment in that respect shall be made to the Contractor.</p> <p>69.2 The Contractor shall familiarize himself with GON the rules and regulations with regards to customs, duties, taxes, clearing of goods and equipment, immigration and the like, and it will be necessary for him to follow the required procedures regardless of the assistance as may be provided by the Employer wherever possible.</p> <p>69.3 The Contractor shall pay and shall not be entitled to the reimbursement of cost of extracting construction materials such as sand, stone/boulder, gravel, etc. from the riverbeds or quarries. Such prices will be levied by the local District Development Committee (DDC) as may be in force at the time. The Contractor, sub-contractor(s) employed directly by him and for whom he is responsible, will not be exempted from payment of royalties, taxes or other kinds of surcharges on these</p>

	construction materials so extracted and paid for to the DDC.
70. MEMBER OF GOVERNMENT, ETC, NOT PERSONALLY LIABLE	70.1 No member or officer of GoN or the Employer or the Project Manager or any of their respective employees shall be in any way personally bound or liable for the act or obligations of the Employer under the Contract or answerable for any default or omission in the observance or performance of any of act, matter or thing which are herein contained.
71. APPROVAL OF USE OF EXPLOSIVES	71.1 No explosives of any kind shall be used by the Contractor without the prior consent of the Employer in writing and the Contractor shall provide, store and handle these and all other items of every kind whatsoever required for blasting operations, all at his own expense in a manner approved in writing by the Employer.
72. COMPLIANCE WITH REGULATIONS FOR EXPLOSIVES	72.1 The Contractor shall comply with all relevant ordinances, instructions and regulations which the Government, or other person or persons having due authority, may issue from time to time regarding the handling, transportation, storage and use of explosives.
73. PERMISSION FOR BLASTING	73.1 The Contractor shall at all times maintain full liaison with and inform well in advance and obtain such permission as is required from all Government authorities, public bodies and private parties whatsoever concerned or affected, or likely to be concerned or affected by blasting operation.
74. RECORDS OF EXPLOSIVES	74.1 Before the beginning of the Defects Liability Period, the Contractor shall account to the satisfaction of the Project Manager for all explosives brought on to the Site during the execution of the Contract and the Contractor shall remove all unused explosives from the Site on completion of works when ordered by the Project Manager.
75. TRAFFIC DIVERSION	75.1 The Contractor shall include the necessary safety procedures regarding and pedestrian traffic diversion that is needed in execution of the works. The Contractor shall include in his costing of works, any temporary works or diversion that are needed during the construction period. All traffic diversion should be designed for the safety of both the motoring public and the men at work. It shall ensure the uninterrupted flow of traffic and minimum inconvenience to the public during the period concerned. As such, adequate warning signs, flagmen and other relevant safety precautionary measures shall be provided to warn motorists and pedestrians well ahead of the intended diversion as directed by the Project Manager. All traffic devices used shall be designed in accordance with the instruction of Project Manager.